



**MINUTES
CITY COUNCIL REGULAR MEETING
November 1, 2021**

CALL TO ORDER

The meeting was called to order at 6:30 pm.

Present: Mayor: Charlie Miner; Council: Jahn Dyvik, Mike Feldmann, Gina Joyce, and Deirdre Kvale

Staff Present: City Administrator: Scott Weske; Fire Chief: James Van Eyll; and City Clerk: Jeanette Moeller

Absent: None

PLEDGE OF ALLEGIANCE

MAYOR'S COMMENTS – LONG LAKE NEWS, MEETING REVIEW AND UPDATES

Mayor Miner commented that it was great to see everyone out Trick or Treating again this Halloween.

He noted that November 2, 2021 is an Election Day in Minnesota though there is no election in Long Lake; and that date is also the last day City residents can put out their leaves for curbside pick-up.

APPROVE AGENDA

A motion was made by Feldmann, seconded by Dyvik to approve the agenda as presented. Ayes: all.

CONSENT AGENDA

The Consent Agenda consisted of:

- A. Approve Minutes of October 19, 2021 City Council Meeting
- B. Receive Unofficial Draft Minutes of October 19, 2021 Economic Development Authority Meeting
- C. Approve Vendor Claims and Payroll
- D. Adopt Resolution No. 2021-47 Approving Issuance of Special Event Permit #S2021-09 for Sled Dog Days at Birch's on the Lake to be Held January 15, 16, 22 and 23, and February 13, 19 and 20, 2022; and to Authorize the Hennepin County Sheriff's Office Water Patrol Unit to Permit the Event
- E. Accept the Donation of Two Additional Dog Waste Stations by the Long Lake Waters Association to the City of Long Lake for Placement in Dexter Park and Along the Orchard Lane Trail

Council member Joyce reported that there was a Park Board meeting held last week at Dexter Park. Board members had asked people what improvements they would like to see in the park and dog waste stations came up as a request, so they were able to tell residents that a unit was coming.

A motion was made by Dyvik, seconded by Feldmann, to approve the Consent Agenda as presented. Ayes: all.

OPEN CORRESPONDENCE

No one was in attendance to address the City Council during Open Correspondence.

BUSINESS ITEMS

Presentation by the Long Lake Fire Relief Association for Fire Pension Benefit Level Change

Fire Chief Van Eyll indicated that the Long Lake Fire Relief Association is asking the Council to consider approving an increase in the pension benefit level to \$7,000 per year of service. He referred Council members to exhibits in their meeting packets which provided information on the pension benefit's history and the pension's rate of returns over recent years.

Steve McDonald, Abdo, reviewed assumptions utilized in preparing financial projections and clarified that the projections also accounted for various retirement assumptions. He gave an overview of projection scenarios that showed no change in benefit level; increased the benefit level to \$7,000 per year of service beginning in 2022; and increased to \$7,000 per year of services with a 5% investment loss in the year 2025.

Council member Kvale asked when a municipal contribution would be required.

Mr. McDonald responded that a municipal contribution could be necessary if the percent funded would drop below 90%, but that it is also driven by the change in the accrued liability year over year.

Kelly Shaughnessy, on behalf of the Long Lake Fire Relief Association, explained that historically even when they went down close to 35-40% in 2008, the City did not have to put any money in at that point. He noted that their funds are doing so much better this year, and if they closed today at the \$7,000 level, they would be at 119.65% funded.

Council member Dyvik questioned what types of investments the Fire Relief Association has been using.

Mr. Shaughnessy replied that they had switched to the State Board of Investment about three or four years ago which invests on a strictly 60% stocks/40% bonds basis in a blended fund which has worked very well for them and has kept the Fire Relief Association Board from having to make any decisions.

Council member Dyvik asked how much of a recruiting tool this amended pension benefit level would be.

Van Eyll commented that for some individuals it absolutely plays a role and for others it does not. He noted that it is probably more helpful for retention than recruiting.

Council member Dyvik inquired what was on the horizon for retirements.

Van Eyll responded that Mr. Shaughnessy is one of the retirements on the horizon with 45 years of service, another individual has 32 years of service, and then it drops down to 20 years of service. He mentioned that there are quite a few firefighters that are at the 17 to 18 year mark currently.

Council member Dyvik asked if the pension was a lump sum payout.

Fire Chief Van Eyll confirmed that it is a lump sum payout, and a majority of recipients will roll it over into an IRA.

Council member Kvale noted that it appeared as though the State Aid amount was increasing.

Van Eyll agreed that the State Aid had been increasing recently due to insurance premiums on commercial properties.

Council member Feldmann shared that the thing he worries about is retirements landing in a negative 27% year, even though he acknowledged that would be an unlikely event.

Mr. McDonald indicated that he believes the projections do a pretty good job including the Department's best guess at when people will be out, and the assumptions match up to the rate of return. He stated that their projections have been pretty straight forward and being over 110% funded provides a cushion, so they are not concerned about creating a municipal contribution situation. He noted that another buffer is the State maximum benefit.

Mr. Shaughnessy added that another factor is that if the firefighters don't make it to 10 years of service, they are not vested and the money that had been allocated for those individuals goes right back into the pot. He mentioned that unfortunately, there has been quite a revolving door with staffing because people have only been staying four or five years before leaving.

Van Eyll noted that by State Statute, individuals are also not allowed to take out the funds until age 50, at which time they have the choice to take it out or leave it in.

Council member Dyvik asked if individuals who choose to leave their money in will benefit from its growth.

Mr. Shaughnessy responded that they are proposing to leave the deferred interest level the same. He explained that they stipulate the rate of return for individuals that are deferred and this is based off of what happened with the fund during the two years prior.

A motion was made by Kvale, seconded by Miner, to approve the request from the Long Lake Fire Relief Association to increase the pension benefit level to \$7,000 per year of service. Ayes: all.

Van Eyll noted that he had return to the fire station and asked to give the Council a few updates at this point in the meeting. He indicated that DJ Goman has 20 years of service and Erik Palmer has 10 years of service as of today, and expressed his appreciation for their years of service to the City. He also reported that the Trick and Treat drive-thru event was a great success and was well received.

City Engineer Transition – Introduction to Brad Reifsteck, WSB

Monica Heil, Vice President of Municipal Services at WSB, and Brian Bourassa, Vice President of Corporate Development at WSB, introduced themselves and noted that they can cover more details than were included in the memo within the packet.

Brad Reifsteck, Civil Engineer at WSB, introduced himself and shared a little bit about his background and experience. He noted that he has spent 30 years in municipal engineering. He stated that he moved to Minnesota from Iowa in 1988, currently lives in Golden Valley, and is looking forward to serving Long Lake in the future.

Ms. Heil explained that as part of their services, they have internal check-ins with each of their City Engineers to talk about how things are progressing and what is happening in the communities. She stated that at some of the recent updates with City Engineer Mollenkamp there had been some concerns regarding some of the challenges associated with a project in town. She shared that the

concerns were that WSB may not have been fulfilling some of the job expectations for the City. She indicated that they met with City Administrator Weske to discuss providing a team that would continue to include City Engineer Mollenkamp in a supporting role, but would have Brad Reifsteck front and center when it came to City Council meetings, interactions with the public, and City staff. She confirmed that they would like the Council to consider allowing Mr. Reifsteck to serve the City in a City Engineer capacity, along with Alex Mollenkamp for project support.

Mr. Bourassa noted that he has known Mr. Reifsteck for a long time and he is a solid, can-do, practical, pragmatic engineer whom he thinks would serve the City well, adding that Alex Mollenkamp had also served the City well. He explained that Mr. Reifsteck is a bit more senior which means he is billed at a bit higher rate; however, they committed to temporarily keeping the billing rate the same as it had been for Alex Mollenkamp.

Mayor Miner asked how long that billing rate would remain the same.

Ms. Heil responded that it would remain the same at least through the end of the year, but it will be an ongoing discussion because the City will want to see how Mr. Reifsteck performs. She noted that Council members may want to take the opportunity to meet with him one on one or at a more casual work session. After that, they could take another look at the service agreement.

Council member Dyvik inquired about the service agreement and recalled that he thought there were also project based agreements as well.

Weske was unable to recall the last time the WSB services agreement was updated, though it could have been back in 2015. On an annual basis, there have been rate increase notifications sent with a fee schedule for who would be doing the work and their billable rate. He added that the City has not really gone out for contracts or an RFP for engineering services recently.

Council member Dyvik pointed out that the City had approved certain projects with certain not to exceed dollar amounts.

Ms. Heil confirmed that this was correct.

Council member Dyvik asked if those project agreements are separate from a general services agreement. He asked if the City would then review that at the end of the year for the following year.

Ms. Heil responded that on a project contract basis, with a not to exceed fee, there is nothing that would change in terms of the contract price with the City. She clarified that Mr. Reifsteck's hourly rate compared to Alex Mollenkamp's rate will not matter in that case, because it is a fixed fee. She noted that in terms of general City engineering services, they will have to go back and look at that agreement from 2015 that was mentioned by Weske.

Weske added that he was not completely certain the agreement was in 2015, so he will have to go back and check the details.

Ms. Heil confirmed that they will look at that agreement and look at possibly formalizing the rate for City engineering services. She pointed out that much of what they do is on a per project basis and those project fees will not change regardless of the experience level or billing rate of the City Engineer, thereby providing the best value. She stated that before anything is finalized moving forward, they want to assure that Mr. Reifsteck will be a good fit for the City.

Mayor Miner questioned if Ms. Mollenkamp and Mr. Reifsteck were working on something together for the City, would the City only be charged one rate.

Ms. Heil confirmed this was correct and even if they are working together, the City will not see double the hours for their services.

Council member Feldmann asked if there would be an additional cost to the City for the transition between the two individuals.

Ms. Heil replied that there will not be a cost to the City for this transition, it will all be internal for them and absorbed by WSB.

Council member Feldmann voiced concern because the City just went through the Comprehensive Plan update process which had had a ton of issues in relation to transition, and asked that WSB be cognizant of that issue. He stated that he is worried about the transition and things being lost.

Ms. Heil clarified that Ms. Mollenkamp will continue to work in a support capacity for Long Lake so WSB and Mr. Reifsteck do not lose the knowledge that she has acquired over the last few years. She reiterated that Ms. Mollenkamp will be working on a lot of the project-based work with Mr. Reifsteck.

Council member Kvale asked if Ms. Mollenkamp would be signed on with a different community.

Ms. Heil responded that she will not be assigned as a City Engineer elsewhere.

Mayor Miner thanked the representatives from WSB for coming and explaining the situation to the Council. He indicated that he is looking forward to working with Mr. Reifsteck.

Mr. Reifsteck noted that he does have some history working on projects in the area and shared examples of some of the work he has been involved with in Wayzata and on utility relocations for the Highway 12 bypass project.

OTHER BUSINESS

November 16 Work Session - Council member Kvale asked what was on the agenda for the upcoming Council Work Session meeting. Weske replied that he will be working with City Attorney Thames to frame the agenda, but the plan is to discuss the Fire Department situation. He added that there is a possibility a portion of the meeting will be held as a closed session.

Tree Removal Question - Council member Feldmann asked if an individual he'd spoken to who wanted to discuss using logs from the trees taken down on Virginia Avenue for an Orono park project had come in to talk to staff. City Clerk Moeller stated that she was not sure if she had spoken to that specific individual, but someone had stopped in and she was encouraged to go on site and talk to the job boss about their request. Staff could also refer them to the developer.

Article Regarding Pedestrian Signal - Council member Dyvik highlighted an article published in the Laker Pioneer newspaper about a trail crossing on Shoreline Drive that would include a flashing signal for safety.

Replacement of Damaged Streetlight - Weske reported that Public Works Director Diercks has put in an order for two new streetlights. One will replace the streetlight recently damaged by a vehicle accident, and the other will be a spare. Staff is awaiting a copy of the Police report for the incident at this time, but will be submitting a claim for reimbursement of the damaged streetlight.

ADJOURN

Hearing no objection, Mayor Miner adjourned the meeting by general consent at 7:25 pm.

Respectfully submitted,

Scott Weske
City Administrator